

**STATE QUALITY IMPROVEMENT INSTITUTE  
WASHINGTON UPDATE  
JULY 2009**

**WHAT IS THE LATEST PROGRESS YOUR STATE TEAM HAS MADE IN ITS QUALITY IMPROVEMENT EFFORTS?**

Washington's Quality Institute team efforts continue to be concentrated in the three areas set out in our original proposal: Expanding patient-centered medical homes, developing payment strategies to support medical homes and developing communication strategies for engaging consumers. Since the last update these efforts have focused largely on the latter two of the three areas.

**a. Expand patient-centered medical homes**

The Primary Care Coalition met June 24 to review state- and federal-level efforts to address primary care shortages. The coalition will meet again in September to drill down on opportunities for policy development and federal funding in this area as they may be shaped by federal health care reform legislation.

No update currently available for the collaborative project on medical homes. Will provide update at next report.

**b. Develop payment strategies to support medical homes**

*Stakeholdering Conversations:* Under the antitrust protection afforded by recent state legislation, the State and the Puget Sound Health Alliance co- convened a meeting June 25 to bring together providers, purchasers, payers and researchers to explore interest and potential challenges in demonstration pilots of reimbursement models for medical homes. Twenty-five leaders of the major health plans, professional provider organizations, employers and institutional providers and integrated health care systems discussed their level of interest and commitment in participating in demonstrations, their current level of activity and their hopes/objectives and concerns about participating in an initiative with us. Some of the main points from the discussion were:

- Expressions of strong interest from all participants
- Interest in the potential of medical homes as a pattern of care that can potentially recruit/retain physicians to practice in primary care
- A high level of existing activity by most major payers and providers
- The expectation that a medical homes project will not involve net new revenue, but will achieve value through efficiency savings and reduced utilization such as ambulatory-sensitive admissions
- A general preference for non-FFS reimbursement models
- A preference for multi-payer as opposed to single-payer projects, if for no other reason than to achieve adequate critical mass of market penetration
- A concern for "administratability"—the ability to make administrative elements like referrals and claims processing work smoothly with existing

systems/platforms, and be scalable from small, manual/paper-based management to larger-scale automated systems

- The importance of seamless, transparent patient experience, particularly when transferring between participating and nonparticipating plans or providers

To get a fuller sense of Washington payers' and providers' participation in medical homes projects and their learnings from that experience, a followup to the meeting was a request for additional information about the projects they are participating in and any unanticipated benefits, obstacles/challenges or other observations. This information will be collected and aggregated by late July to help inform next steps.

A second meeting of the group will be set for late July to review how to proceed, and the possibility of a medical homes summit facilitated by Harold Miller, similar to that presented at the SQII Interim Meeting in Denver, will be explored.

**c. Develop strategies for engaging consumers**

*Regional Variation Research:* Based on input from a variety of public and private stakeholders (clinical, research, and policy-related) we are delving deeper into initial results of a growing body of Washington-based system-level variation analysis. We have consistently recognized the difficulty in linking research geared to high-level system-related (long-term) planning with public program-related (near-term) operational planning, especially at a time when fiscal challenges take center stage. However, preliminary work to layer analysis of regional variation in health system use, with health status, socioeconomic factors, potentially avoidable hospitalizations, health insurance etc. appears promising.

Patient Decision Aids: no update at this time.